

WEST VIRGINIA INFORMATIONAL LETTER
INSURANCE COMMISSIONER

No. 1-A
June, 1967

PROCEDURE FOR FILING POLICY FORMS
RELATING TO CANCELLATION

On April 7, 1967, Informational Letter No. 1, Regulation 6A-5 and Senate Bill No. 30, all regarding the termination of automobile liability policies, were forwarded to you. By cover letter with the enclosures, we announced that no existing policies now approved by our department would have to be amended to include the statutory restrictions of company's right to cancel automobile liability policies as are set forth in Senate Bill No. 30, but that any new automobile policy form filings would be required to set forth policyholders rights bestowed by this new law.

It has been suggested that probably more West Virginia policyholders would become informed of their statutory rights regarding cancellation if these rights were set forth in the cancellation notice itself, rather than in the policy form. We are in agreement with this suggestion. Therefore, the following procedure will be required by this department regarding future filings:

- (a) The filing company will have the option of setting forth all of the various reasons the company may cancel in midterm (See W. Va. Code 33-6A-1) either in the policy form or "notice of cancellation" form.
- (b) If the company does not, in a particular case, inform the policyholder the reason for cancelling that particular policy in the "notice of cancellation" form, the company must enumerate the policyholders rights to demand such a reason in the "notice of cancellation" form. (See W. Va. Code 33-6A-3.)
- (c) The right of the policyholder to demand a hearing before the Commissioner must be set forth in the "notice of cancellation" form.

In the past we have not required the "notice of cancellation" form to be filed and approved by our department and this will not be changed. We will, in the future, assume that all companies are complying with this procedure.

Although the use of statutory language will not be required in these forms, the company should make these policyholders rights as clear as possible to assure notification to its policyholders.

Frank R. Montgomery
Insurance Commissioner